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SUBJECT: GOT ON US AG PROPOSAL: AMBITIOUS BUT
PROBLEMATIC

REF: A: STATE 195286 B: STATE 190748

11. (SBU) Summary: Turkey expressed its concerns about the USG Doha agriculture proposal and remained noncommittal on our request for assistance in urging the EU to table a meaningful proposal. The GOT opposes reducing tariffs before developed countries reduce their domestic support and hopes to maintain current "de minimis" levels and special and differential treatment. Because agriculture is such a sensitive issue for Turkey, the USG should not expect its support during the Doha agriculture negotiations. End summary.

12. (U) On October 27, GOT Foreign Trade Undersecretariat (FTU) Acting Department Head for WTO issues, Aylin Bebekoglu, agreed that the USG proposal on agriculture at Doha is "ambitious," but added that Turkey has some concerns. In response to our request for assistance in urging the EU to table a meaningful proposal at Doha, Bebekoglu remained noncommittal and spoke only of Turkey's changing role as it works toward EU accession.

13. (U) With regard to the US proposal, Turkey wants to see a reduction of export subsidies and domestic support by developed countries before developing countries agree to a reduction in tariffs. She argued that if the GOT were to reduce its tariffs now, without the corresponding reduction in export subsidies and domestic support, it would be "catastrophic" for the Turkish agriculture sector. Admittedly hesitant to use the word "protection," Bebekoglu characterized the GOT's current agricultural strategy as one of "sustainment." She added that Turkey is not currently globally competitive and a further reduction in tariffs could possibly "obliterate" its sector if developed countries continued to subsidize their markets, even at reduced rates.

14. (U) The GOT also opposes a reduction in the "de minimis" levels of domestic support. Turkey only maintains the current "de minimis" levels and believes that a reduction would further handicap its ability to compete. In addition, the GOT wants to maintain as long as possible special and differential treatment and protection for Special Products (SP) and the Special Safeguard Mechanism (SSM) for developing countries. Finally, Turkey opposes the US proposal to lower the tariff cap to 75 percent and believes that a cap of at least 150 percent is more reasonable for developing countries.

15. (U) Bebekoglu mentioned that Turkey more or less agrees with the USG and EU positions on Non-Agricultural Market Access (NAMA) issues and asked for additional information on our proposals for the industrial sectors, specifically on textiles. Post would appreciate information, as it becomes available, on this issue.

16. (SBU) Comment: Bebekoglu conceded that agriculture is one of the most sensitive and difficult issues for the GOT to negotiate. For this reason, post believes that the USG should not expect GOT support during the Doha agriculture negotiations. As Turkey moves through the EU accession process, much of its sustainment program will have to be brought into harmonization with EU regulations, which Bebekoglu admitted will be an arduous process. In the meantime, in her opinion, developed countries should take into consideration Turkey's developing status and unique sectoral challenges when analyzing its trade policies. End comment.

McEldowney